

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF)	
MARION COUNTY WATER DISTRICT)	CASE NO. 91-333

O R D E R

On September 13, 1991, Marion County Water District ("Marion") filed its revised tariff with the Public Service Commission ("Commission") for the purpose of adjusting its rates pursuant to the purchased water adjustment procedure, KRS 278.015 and 807 KAR 5:068.

The Commission, having reviewed the evidence of record and being otherwise sufficiently advised, finds that:

1. Marion purchases water from Lebanon Water Works Company, Inc. ("Lebanon Water"). Prior to this case, Lebanon Water billed Marion on a four-step declining block rate schedule based on units measured in cubic feet. Lebanon Water has changed the rate structure it charges to its wholesale customers to a flat fee based on units measured in 100 cubic feet. Additionally, a flat fee is charged for each meter.

2. Effective December 1, 1991, Lebanon Water will increase its rate to Marion by approximately 63 cents per 100 cubic feet or 84 cents per 1,000 gallons. The total increase in purchased water costs will result in an increase to the average monthly bill from \$20.70 to \$28.29, which is an increase of 36.67 percent.

3. Marion proposes to increase the rates to its customers effective December 1, 1991.

4. During the 12 months ending August 31, 1991, Marion purchased 39,366,390 cubic feet of water (294,460,597 gallons)¹ and sold 228,016,383 gallons.

5. Due to a rounding error, Marion's purchased water adjustment factor is incorrect. The increase in the cost of purchased water is \$246,804, resulting in a purchased water adjustment of \$1.08 per 1,000 gallons as shown in Appendix B, attached hereto and incorporated herein.

6. The purchased water adjustment of \$1.08 per 1,000 gallons and the rates shown in Appendix A, attached hereto and incorporated herein, are fair, just, and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

1. The rates and tariff proposed by Marion are denied.

2. The purchased water adjustment of \$1.08 per 1,000 gallons and the rates in Appendix A are approved for services rendered on and after December 1, 1991.

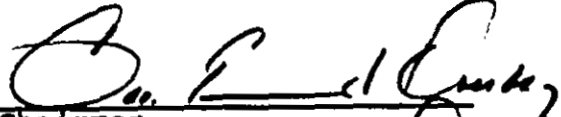
3. Within 30 days of the date of this Order, Marion shall file its revised tariff sheet setting out the rates approved herein.

4. Within 20 days of the date rates approved herein are placed into effect, Marion shall file a copy of the notice and verification that notice has been given to its customers.

¹ 39,366,390 cubic feet x 7.48 = 294,460,597.2 gallons.

Done at Frankfort, Kentucky, this 10th day of October, 1991.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

Commissioner

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 91-333 DATED 10/10/91

The following rates and charges are prescribed for the customers in the area served by Marion County Water District effective December 1, 1991. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to December 1, 1991.

<u>Usage Blocks</u>	<u>Rates</u>
First 1,000 gallons	\$9.67 Minimum Bill
Next 9,000 gallons	3.09 per 1,000 gallons
Next 90,000 gallons	2.55 per 1,000 gallons
Over 100,000 gallons	2.44 per 1,000 gallons

<u>Minimum Bills</u>	
5/8 x 3/4 Inch Meter	\$ 9.67
1 Inch Meter	17.37
2 Inch Meter	25.73

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 91-333 DATED 10/10/91

PURCHASED WATER CALCULATIONS

Total Purchases: 39,366,390 cubic feet or 294,460,597.2 gallons
Total Sales: 30,483,474 cubic feet or 228,016,383 gallons

Cost at Changed Rate:

7 meters x \$5.75 x 12 months = \$483

39,366,390 cubic feet + 100 = 393,663.90 ccf x \$1.283/ccf = \$505,070.78

Total Cost of Water at Changed Rate:

\$505,553.78

LESS

Cost at Base Rate:

Total

	<u>Cubic Feet</u>	<u>Billing</u>
September 1990	3,118,490	\$20,508.45
October 1990	3,021,520	19,876.32
November 1990	3,175,400	20,878.42
December 1990	2,865,200	18,860.78
January 1991	3,113,890	20,478.49
February 1991	3,215,330	21,137.88
March 1991	2,840,750	18,701.17
April 1991	3,127,690	20,567.32
May 1991	3,354,000	22,041.66
June 1991	3,507,190	23,037.20
July 1991	3,825,690	25,111.06
August 1991	4,201,240	27,551.18
	<u>39,366,390</u>	<u>\$258,749.93</u>

Cost at Changed Rate:

\$505,553.78

Cost at Base Rate:

258,749.93

Total Increase in Purchased Costs

\$246,803.85

\$246,803.85 + 228,016.383 m. gallons = \$1.082 or \$1.08/1,000 gallons